

Workforce Innovation - how councils are responding to workforce challenges

Best Value thematic 2023/24

Moray Council

Prepared for those Charged with Governance and the
Controller of Audit

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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our external audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect Moray Council or all weaknesses in your internal controls. This report has been prepared solely for your benefit and Audit Scotland (under the Audit Scotland Code of Practice 2021). We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

Scope of the audit

The [2023 Local Government Overview \(LGO\)](#) notes that councils have never faced such a challenging situation. Service demands have increased after the Covid-19 pandemic and funding is forecast to reduce in real terms. Workforce pressures including recruitment in a competitive labour market, employee retention and high sickness absence levels are putting councils under continued pressure.

This report sets out how the council is responding to current workforce challenges through building capacity, increasing productivity and innovation.

[The Accounts Commission's Strategy \(2021-26\)](#) sets out its priorities to focus on inequalities, funding, communities and recovery. The Code of Audit Practice sets out the Best Value work required to report on these priorities

Code of Audit Practice 2020 - Best Value reporting requirements

The Accounts Commission's approach to Best Value involves reporting on individual local government bodies and thematically across the local government sector through performance reports. This is set out in the 2020 Code of Practice, issued by Audit Scotland:

As part of their integrated wider scope annual audit work, appointed auditors use a risk-based approach to assess and report whether the audited body has made proper arrangements for securing Best Value and is complying with its community planning duties, including reporting progress against previous Best Value findings and recommendations.

The Accounts Commission also requires the Controller of Audit to report to the Accounts Commission on each council or Integrated Joint Board at least once over the five-year audit appointment on the body's performance on its Best Value duty. This enables the Accounts Commission to make findings for improvement where appropriate.

The Accounts Commission reports nationally on thematic aspect of local government bodies' approaches to, and performance in, meeting their Best Value and community planning duties. Local government appointed auditors report locally on any such Best Value thematic work prescribed by the Accounts Commission.

Scope of the audit - continued

This report covers the thematic aspect of the Best Value audit requirements. The Accounts Commission has directed auditors to report on how councils are responding to local government and workforce challenges through building capacity, increasing productivity and innovation.

In producing this report we have considered the following questions, posed by the Audit Scotland guidance:

- How effectively are the council's workforce plans integrated with its strategic plans and priorities?
- How effectively has digital technology been used to support workforce productivity and improve service quality and outcomes?
- How effectively is the council using hybrid and remote working and other innovative working practices such as a four-day week to achieve service and staff benefits?
- What innovative practice is the council using to develop its future workforce capacity and skills needs and manage staff reductions in line with its priorities?
- What progress has the council made with sharing roles or functions across its services and/or with other councils and partners?
- How effectively is the council measuring the impact of its workforce planning approach?

An improvement plan is included at Appendix 1 of this report. This sets our audit recommendations in key areas, and the council's planned response including responsible officers and dates for implementation.

The coverage of the work is in line with the expectations for council's arrangements for the seven Best Value themes in the [Local Government in Scotland Act 2023, Best Value Statutory Guidance 2020](#)

Executive Summary

Question	Conclusion
How effectively are the council's workforce plans integrated with its strategic plans and priorities?	The council's workforce plans are integrated with its strategic plans and priorities. Work is underway to align key documents that will ensure full integration of workforce plans with the councils' strategic priorities following the update of the Corporate Plan in April 2024.
How effectively has digital technology been used to support workforce productivity and improve service quality and outcomes?	The council has embraced remote and hybrid working and has taken steps to gain financial benefit from unused office space albeit financial savings to date have been relatively minor. There are limited metrics set and measured by the Council to demonstrate where technology has improved productivity, service quality and outcomes.
How effectively is the council using hybrid and remote working and other innovative working practices such as a four-day week to achieve service and staff benefits?	The council has embraced remote and hybrid working, however, there are limited metrics reported to record and observe how effective and beneficial these practices have been.
What innovative practice is the council using to develop its future workforce capacity and skills needs and manage staff reductions in line with its priorities?	The council has a long-standing programme to redeploy and re-engage the workforce, which has successfully managed workforce changes and savings requirements. There are limited metrics set and reported by the Council on this programme. Work is taking place to re-establish training schemes post-pandemic.
What progress has the council made with sharing roles or functions across its services and/or with other councils and partners?	The council has a small number of shared working arrangements. It is clear that there may be further opportunities to be explored, but only if there is a measurable benefit to the Council.
How effectively is the council measuring the impact of its workforce planning approach?	The council does not have defined metrics that would enable it to easily measure, record and report the impact of its workforce planning approach. Reporting of workforce planning achievements would benefit from the implementation of reporting metrics.

We have raised a number of recommendations for improvement, these are in Appendix 1, page 20 of this report

Workforce strategy and priorities

How effectively are the council's workforce plans integrated with its strategic plans and priorities?

The council's workforce plans are integrated with its strategic plans and priorities. Work is underway to align key documents that will ensure full integration of workforce plans with the councils' strategic priorities following the update of the Corporate Plan in April 2024.

Workforce planning involves identifying and addressing future capacity and skills gaps, at operational and leadership levels. It requires strategic thinking, comprehensive workforce data and ongoing consultation and engagement with staff and trades unions.

A council focused on achieving Best Value will have a workforce strategy that sets out expectations on how the local authority's staff will deliver its vision, priorities and values

To be effective, workforce planning must be integrated across the organisation. Workforce strategies need to support the council in achieving its strategic priorities. They must support other key plans including financial, asset, digital and transformation planning. They need to be under-pinned with detailed workforce plans within services.

The Workforce and Organisational Development Strategy 2023-2026 (WODS) was approved by the Corporate Committee of Moray Council in April 2023. The strategy is supported by a workforce plan that sets out actions from the strategy with priority ratings. The Workforce strategy is intended to complement and support the Council's Corporate Plan (2024 – 2029) and Transformation Programme all being key to the council meeting its planned objectives. However, because the Corporate Plan was not approved by Full Council until February 2024, there is not full alignment between the Corporate Plan and the WODS as it was approved nearly a year before. While there is some consistency in themes, the overarching vision and values have been updated in the new Corporate Plan.

In recognition of this, the Council are updating and aligning WODS to the Corporate Plan (2024-2029) which will be presented to Corporate Committee in August 2024. This work has been supported by the establishment of a Workforce Working Group (WWG) agreed by the Corporate Committee in January 2024. The WWG is made up of cross-party elected members and Trade Union representatives, reporting into the Corporate Committee and the Joint Consultative Committee. It is hoped that this group will increase member engagement and collaborative work in having oversight and review of the strategy. Terms of Reference for the WWG were agreed by the Corporate Committee in April 2024 and a first meeting was held in May 2024, reporting back to Corporate Committee in June 2024. The report to committee noted the following themes to be included in the updated workforce plan:

- Apprenticeships, young workforce
- Developing the workforce, career progression, skills development
- Recruitment
- Readiness for change
- Absence rates and trends
- Leadership development (already included in BV action plan)

The updated workforce plan is due to be updated and approved by Corporate Committee in August 2024 and by full council in September 2024.

Workforce strategy and priorities - continued

Agreement of and adherence to the key trilogy of corporate documents – the corporate plan, workforce strategy and transformation programme – is key to any council on its journey to efficiency, effectiveness and closing any savings gap identified in their Medium-Term Financial Strategy (MTFS).

Following the Controller of Audit (CoA) report in March 2024, the Council have responded by producing a consolidated improvement plan to cover the CoA recommendations and all existing BV recommendations from earlier reports from the Accounts Commission, external audit and external local government specialists. This includes progress on actions required in the WODS.

Moray Council have considered the linkage of the key trilogy to their Best Value action plan, agreed in April 2024 by the Corporate Committee, that will be formally recognised in the updated WODS. We consider that recognition of the work to be done and goals achieved will be made easier where these key policies and Best Value action plan are formally linked and recognised as being interdependent. [See recommendation 1.](#)

There is little evidence of progress against the action plans in place, however, we recognise that there has been a short period of time (two months) from the publication of these documents to the point of this report. We are pleased to note that the first quarterly progress update is scheduled to be reported to the Corporate Committee of August 2024. We will continue to follow this up as part of our annual best value reporting.

As noted above, the Workforce Strategy is in the process of being updated to ensure that it aligns with the new Corporate Plan. [See recommendation 1.](#)

The Council has invested in its data capability and capacity and considers that it has an appropriate data set in place to support decision making. A workforce dashboard has been developed, using Power BI, linked to the council's HR system. All managers across the organisation can access the dashboard allowing comparison across services. We note that this is not an automated link but requires manual data cleansing before the data is usable. As such, the dashboard is updated on a quarterly basis and therefore could be out of date shortly after publication. The council should consider the ability to have real time reporting on workforce data. [See recommendation 2.](#)

An annual workforce analysis report is prepared each year and used by managers across the council in their workforce planning. The last report was for the period November 2022 to October 2023. This report provides analysis of the age, type of employment, turnover levels and sickness absence over the year. By its nature, the report is in the majority, historical, reporting on past trends, but it does highlight that work is being done to develop a succession planning framework. The workforce analysis report is not presented to any council committees. Furthermore, we note that the data on inclusion and diversity is limited due to the data being optional in the collection process. The Council proposed to encourage more self-reporting of this data from employees in the latest report, which we would encourage they continue. [See recommendation 2.](#)

Workforce strategy and priorities – continued (2)

The Council are in the process of developing a succession planning framework. Given that the Corporate and Senior Management Teams at the time of reporting had an average age of 57 years, with more than 50% being 60 and over, this appears to be a sensible approach. We have not seen evidence that the succession planning framework is being taken forward or reported to Members. As the Corporate Committee will have first review and approval of the workforce plan, it is important that they also see and understand the workforce base.

See recommendation 2.

Service workforce plans have been developed cross-council, following the themes set out in the council workforce strategy. The plans set out desired outcomes, timescales and a priority level for completion. However, we note that the priority rating used in service plans was not consistent with the corporate workforce plan with less detailed explanations of ratings being used in service level reports, which could lead to confusion when comparing the documents. See table below for ratings used:

Corporate Level Priority Ratings		Service Level Priority Ratings	
1	Critical in terms of scale of impact and/or to success of other actions	1	High
2	Wide scale impact and/or supports achievements of other outcomes	2	Medium
3	Clear benefits but importance may be outweighed by other actions	3	Low
4	Ongoing area of work where further development is not required at this stage	4	Ongoing

We further note that there is no explanation of the service level priority rating in workforce plans so it is not always clear what makes items high priority – it could be due to timing, potential financial impact, but it is not clear from the document. Having different explanations of priority ratings on very similar documents – corporate workforce plans and service workforce delivery plans could be confusing for the reader. Consideration should be given to adding short explanation as to why the priority rating has been allocated.

See recommendation 3.

Review of service workforce plans identified limited documented consideration of projected skills and capacity, but we note they were approved for the 2023/24 year in May and June 2023, before there was a management decision to create a succession planning framework (as previously referenced). There is in addition to service workforce plans a centralised corporate training plan. This takes details from service workforce plans where projected skills and capacity gaps have been identified and escalates a corporate training plan, where training needs are analysed and resources applied in a consistent and equitable way.

The council has a suite of arrangements for employee engagement, including quarterly strategic meetings with the Trade Unions. Minutes of meetings confirm that there was Trade Union consultation on the Workforce Strategy before it was finalised, the smarter working programme which is the council's guidance on hybrid and changed ways of working, post pandemic. The recently formed WWG also has Trade Union representation.

Digital technology and the workforce

How effectively has digital technology been used to support workforce productivity and improve service quality and outcomes?

The council has embraced remote and hybrid working and has taken steps to gain financial benefit from unused office space albeit financial savings to date have been relatively minor. There are limited metrics set and measured by the Council to demonstrate where technology has improved productivity, service quality and outcomes.

The LGO notes that digital technology will make councils' future workforces look and work quite differently. In order to achieve the change required, councils need to make good use of digital technology and use the workforce in flexible ways.

Digital technology has a strong bearing on a council's workforce needs. It can be used to re-shape jobs to increase productivity and reduce back-office functions while improving service quality. Technology solutions include online services, customer relationship management systems, mobile digital devices and more recently, artificial intelligence (AI) applications.

Councils need to be innovative in their use of technology and build on new working practices that emerged during the pandemic. In doing so, they must also consider service quality and the needs of people experiencing digital exclusion.

The Council agreed its ICT and Digital Strategy and Plan 2023-26 (ICT strategy) on 29 August 2023 at the Corporate Committee. The ICT strategy, supported by an action plan aims to set out how technology will assist services to meet current and future service requirements in delivering the Council's priorities. We note that the ICT strategy does not currently align to the Corporate Plan, having been approved nearly a year before March 2024 and therefore aligns to the prior Corporate Plan. This alignment will take place as part of the annual planned update of the Strategy, reporting to Corporate Committee in November 2024. [See recommendation 1.](#)

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The ICT strategy and action plan are not reader friendly; they are contained within separate documents. Some dates in the action plan are vague – for example, March 2024/5, so it is unclear when the action is due. Actions are prioritised, using the corporate level ratings set out previously, from critical priority at 1 and priority 4 where no development is required at this stage. Taken together, it is difficult to ascertain what the priority projects are and what, if any, impact there would be on the workforce from completing the actions identified. The Council use the ICT strategy and action plan as an enabler of technology that can then impact other projects – such as Smarter Working and the Transformation Strategy. So, while the action plan doesn't appear to identify actions that have a workforce impact, the impact will be indirect and contained within other council strategies.

The increase in remote and hybrid working, enabled by digital technology generally has a significant impact on workforce costs and can generate significant cash savings / additional revenue streams for the council where offices are deemed surplus to requirements. Moray Council are yet to generate large cash savings / additional revenue streams from rationalised office space, in the current financial strategy period (2023-2027), but have made initial steps through their Smarter Working project. We note that historic savings have already been made by the Council through rationalisation and sharing of office space.

Digital technology and the workforce - continued

Digital technology can also improve workforce productivity, but there are no key measures in the action plan, or in the Smarter Working project that would allow for easy reporting and follow up by the CMT and Members to easily demonstrate digital technology benefits for the workforce. The council have been unable to evidence recent examples of digital solutions that have improved productivity and service delivery as there are no metrics or targets attached to key plans that would allow for measurement of achievements in-year. [See recommendation 4.](#)

The Council considers that it has responded effectively to the need for increased remote working during the pandemic and then capitalised on this through the Smarter Working transformation project. The full business case for the project was approved by full Council in June 2023 with a progress update being reported to full Council in December 2023. Smarter Working is projected to deliver circa £180k in initial revenue savings, but will require investment of over £100k in capital costs over the next three years as set out in the table below:

	Year 1 2023/24 £'000	Year 2 2024/25 £'000	Year 3 2025/26 £'000	Total projection £'000
Capital spend	96.2	5.4	0	101.6
Revenue spend	86.1	20.0	0	106.1
Revenue income	57.5	115.0	115.0	287.5
Revenue savings	(28.6)	95.0	115.0	181.4

The projected savings in the table above are relatively minor in terms of the council's current savings gap – £31.8m over the next four years. The increase in remote and hybrid working, enabled by digital technology has a significant impact on the workforce and can generate significant cash savings, capital income or revenue income from rental for the council where offices are deemed surplus to requirements.

Smarter Working has begun to consider a number of possibilities around the estate, with smaller leased offices being vacated and staff moved to council headquarters. Three properties formerly used by the Council have been declared surplus as a result of office consolidation and hybrid working. Cash benefits from this decision are yet to be realised. The council has to continue with the work already begun and take further steps to reap the benefits of a remote and hybrid workforce. [See recommendation 5.](#)

The first priority of the organisational development strategy for Smarter Working was 'Employee Engagement, Morale and Motivation'. The strategy is supported by an action plan and communications plan, provided as evidence by the Council and shows that engagement was held with elected members, employees and trade unions. Due to the ethos of the project, that there will a neutral impact on customers/partners as employees work from home as if in the office, there would be a seamless link in working and thus there has been limited engagement outside the council for the project. The action plan also notes a number of initiatives undertaken to inform and engage the workforce in Smarter Working. These are all now complete – albeit most actions well beyond the initial proposed completion date.

Flexible working and other innovative staff deployment

How effectively is the council using hybrid and remote working and other innovative working practices such as a four-day week to achieve service and staff benefits?

The council has embraced remote and hybrid working, however, there are limited metrics reported to record and observe how effective and beneficial these practices have been.

During the pandemic councils needed to make the best use of their existing workforce while continuing to monitor employee wellbeing. Councils continue to look to new ways of working to improve job satisfaction and reduce sickness absence and staff turnover.

Home-working and hybrid working (a combination of office and home-based working) have now become commonplace. Some councils are also considering more radical working practice such as a standard four-day working week. However, whatever the working practice, employers need to ensure that service quality and productivity are maintained.

The council first approved a flexible working policy in 2010. Building on technological advances and the learning from the Covid pandemic, the Smarter Working project enhanced and expanded the policy. The policy was approved by Full Council on 28 September 2022. The policy includes the following policy statement:

‘The Moray Council will encourage and support flexible working by proactively considering its application to all Council jobs. Wherever possible, we will offer defined flexible working arrangements designed to support service needs and offer choices to employees which assist work-life balance.’

The standard model of hybrid working used by the council is 2 day office/3 days home working for full time employees. A Smarter Working update presented to the council in December 2023 indicates that nearly 80% of those working in HQ in Elgin, do so on a hybrid basis. The policy however, recognised that individuals may require individual adaptations to the standard and set out how this can be achieved. The policy also sets out other flexibilities – in hours of work, leave arrangements and contractual arrangements – that may be considered as part of an employee's working arrangements. The policy was approved with a toolkit to provide support and guidance on the implementation of the updated policy.

The Smarter Working project included metrics on anticipated savings where recurring savings of £50,000 have been identified and achieved. There were limited metrics on workforce benefits therefore it is difficult to establish how successful it has been as a policy overall.

We note that there have been recent achievements in consolidating office space requirements with recurring revenue savings of £100,000 per annum being delivered. Nevertheless, more work is required to release additional revenue savings and secure the capital receipts from the surplus properties. Any future workforce plans and policies should include metrics so performance can easily be assessed and measured for success. [See recommendation 4.](#)

Flexible working and other innovative staff development - continued

The committee system put in place by the council allows for hybrid attendance for members and officers at council meetings. Statistics are not held by Committee Services on the level of usage of hybrid services for council and committee meetings. The Council considers that the current hybrid approach to council and committee meetings supports attendance maximisation and supports the council's commitment to equalities.

The council has well established arrangements for employee and trade union engagement and consultation ensures that account is taken of employee feedback on the impact of hybrid and remote working.

An employee survey was performed in 2023 and compared to the last survey that was performed in 2019 with the high-level outcome reported to the Corporate Committee. A question was included to identify those who work with a hybrid arrangement, to which 2% of respondents answered yes. The overall response rate to the survey was 23%, a decrease from the 2019 response rate of 31%. This low level of response means that the council does not have any meaningful data to assess the impact of hybrid and remote working. Not having this data reinforces the need for the introduction of metrics to the key policies so that a measure of achievement can be observed. The Council are considering future options for employee surveys to increase the rate of response and therefore validity of responses.

Furthermore, the length of time in between surveys is too long, with best practice being conducting surveys annually. We would also recommend that the Council considers the intelligence it wants from the survey and updates the questions accordingly, so they can truly assess if benefits of hybrid working and digital technology are being seen across the workforce. [See recommendation 6.](#)

When reporting to Corporate Committee on the employee survey, management have included indicators that have remained static and those that have the highest and lowest percentage changes year on year. For the Council to understand the impact of flexible working, specific questions will require to be asked in future surveys. A sample of those indicator movements between 2023 and 2019 are shown below:

	2019	2023	Change
I feel I am coping well	54%	74%	+20%
Do you feel your mental health is sufficiently supported at work?	53%	59%	+6%
I know what elected members do	36%	36%	-
I am aware of the challenges that face the Council over the next few years	86%	73%	-13%
I expect the Council will have to change the way it delivers services because of these challenges	82%	73%	-9%

Flexible working and other innovative staff development – continued

The council focus on wellbeing pre and post pandemic means that staff do feel supported. The flexible working policy facilitates condensed working such as 4-day weeks or 9-day fortnights which the Council states has secured more effective use of office space. However, as noted above, the savings achieved from this, to date, are relatively minor with larger savings expected in future years.

The Open Spaces workforce has introduced the use of seasonal hours – meaning that staff work less in the winter and more in the summer, thus reducing the need for overtime claims in the summer period. This is a good example of using local knowledge for the council's benefit and should be explored to see if it can be applied to other parts of the workforce.

Developing future skills and capacity

What innovative practice is the council using to develop its future workforce capacity and skills needs and manage staff reductions in line with its priorities?

The council has a long-standing programme to redeploy and re-engage the workforce, which has successfully managed workforce changes and savings requirements. There are limited metrics set and reported by the Council on this programme. Work is taking place to re-establish training schemes post-pandemic.

Councils need to find innovative ways to ensure the workforce capacity and skills they need to deliver services in the future. Training and development opportunities can help to attract and retain employees and ensure skills are in place. Many councils work with their partners to offer apprenticeship schemes or vocational qualifications. Succession planning is also important to develop future leaders and ensure that essential skills are in place.

Jobs can be re-designed to optimise the workforce and improve services. For example, generic roles across health and social care disciplines. Leaders need to engage with staff and trade unions over fundamental workforce reform. This is particularly challenging in an environment of potential job losses.

The workforce plans approved by each service all follow the same structure noting actions and outcomes under the following objectives:

- Organisational Development and health and wellbeing
- Workforce planning and change
- Leadership development and capacity
- Employer of Choice / Recruitment and skills development

Service workforce plans have been developed cross-council, following the themes set out in the council workforce strategy. The plans set out desired outcomes, timescales and a priority level for completion. Although, as noted above, the priority rating applied to service level and the corporate level plans are not the same, making a read across from service to corporate level difficult. [See recommendation 3.](#)

Service workforce plans reviewed had high-level information on skills or capacity gaps. Details obtained as part of the service workforce planning on training needs are then transferred to a Council wide corporate training plan. This document, reflecting training needs across the council, is utilised to prioritise the use of the annual training budget. The training plan will aid the council in developing the workforce, ensuring that corporate and service workforce priorities are identified and acted upon appropriately at both levels, ensuring support for corporate and service level priorities.

Employees participate in an annual development review (Employee Review and Development, Professional Review and Development for teaching staff and Senior Management Development Programme for senior leaders). This ensures that council priorities are considered in the context of the development needs of all employees and the outcomes are collated into the Corporate Training plan where there is a common feature.

Developing future skills and capacity - continued

The council's corporate plan recognises the importance of developing a young workforce for Moray. There are bespoke developments in teams council-wide which are a work-in-progress in finance, engineering and care at home roles. In addition, the council has a number of training and career grade arrangements in place that help to support the development of the future workforce in key areas, for example roads consultancy, Trading Standards, Development Management. The council supports the Career Ready scheme each year.

Pre-pandemic, the council participated in the DeLite Teacher training programme and supported council employee retraining as social workers. The Children and Families service are currently working to reinstate this programme.

The council has an internal jobs market (Transform) which is an agreed approach to managing workforce change that has been in place for a number of years. Transform is designed to take a long-term view, by controlling workforce numbers in the service being reduced in advance of the change and holding jobs in other services that might aid alternative work for those displaced - based on anticipating Council direction and the workforce requirements and priorities that arise from that. This is not only a movement of people across the same job or service, there is active consideration of an employee's personal skill set and circumstances to ensure consideration of a wide range of opportunities which has resulted in some job changes that would not otherwise have been considered.

The council considers that this approach enables them to achieve a reduction in headcount and pay costs that will minimise compulsory redundancies as far as possible. Any budget that would have been allocated to pay for voluntary exits and redundancy payments can be used to support this approach which includes a range of elements including redeployment, project work, secondments, flexible retirement, voluntary movers, flexible working, capacity building, sabbaticals, leave of absence and training.

Transform was used to implement a major service change in the Education directorate. This was managed in such a way there were no compulsory exits and thus costs being incurred. Overall, 83 changes were managed through employees choosing to reduce hours, ending of temporary contracts and redeployments. The approach allowed the Council to identify suitable alternative employment to manage costs and retain employees and their corporate knowledge of the Council. Given known recruitment issues in the Moray area, it is important that the Council develop and retain staff and therefore the ongoing use and success of Transform will be essential going forward.

Earlier in the report we referenced the succession planning framework that was being considered and developed by the Council. This will be key to identifying where future gaps are likely to occur and therefore where efforts should be focused to ensure that the future workforce is developed in the correct place.

Developing future skills and capacity – continued (2)

External links have been established with Moray College, the Department for Work and Pensions and local schools to support the new workforce entering care related roles. Pre-pandemic, the council led on the Moray Skills Pathway, working with local businesses and educational institutions to set out clear routes to positive destinations for young people leaving school. Work is underway to re-establish this project.

Links with local higher education providers (Robert Gordon University and University of the Highlands and Islands) are established and opportunities for courses that align with Council requirements across a range of services are considered as they arise. Graduate apprenticeships are also being considered but are not currently being utilised. Other councils have seen these as key to developing the future workforce and have been considered by the Council. However, the Council recognise that course offers by higher education providers currently are not within their control and opportunities linked to current skills gaps are limited. This is an area that will be kept under review going forward.

The trade unions are involved through the TU/Officer Group and Joint Consultative Committee on all work that impacts on the workforce including workforce strategy and plan, employment policy framework and employee engagement activity.

The results of the employee survey are discussed with the trade unions to gain additional perspective and understanding as to actions that would support improvement.

Joint workforce arrangements across services and partners

What progress has the council made with sharing roles or functions across its services and/or with other councils and partners?

The council has a small number of shared working arrangements. It is clear that there may be further opportunities to be explored, but only if there is a measurable benefit to the Council.

Councils should look to work collaboratively with their partners to make the best use of their existing workforces and plan for the particular workforce needs in their areas. They should also work across traditional service department roles within councils to deliver improved services and outcomes.

Examples of this include generic working across health and social care, professional posts or functions shared between councils, and services delivered through empowered communities.

The council does not have in place any shared services for administrative purposes – such as for procurement as other authorities have put in place. The possibility of taking part in a shared procurement service has been explored on a number of occasions, but on each occasion, the Council was unable to identify a tangible financial benefit that outweighed the procurement management cost associated with the service. This is an area that the Council will continue to review.

Moray council does work with Aberdeenshire and Aberdeen City Council for the provision of a Energy from Waste facility. A mortuary service is shared between Moray, Aberdeenshire, Aberdeen City councils, NHS Grampian and the Crown Prosecution Service

In education, collaborative work is undertaken with the Regional Improvement Collaborative (RIC) (Northern Alliance) which encourages sharing of practice and ongoing collaboration in order to support improvement. Due to reduced funding, priorities have been streamlined to focus on improving the quality of learning and teaching across all 8 local authorities (Aberdeen, Aberdeenshire, Moray, Highland, Argyll and Bute, Western Isles, Orkney and Shetland).

A Northern Roads collaboration programme is also in place with the following councils Aberdeen City Council, Aberdeenshire Council, Angus Council, Argyll and Bute Council and Comhairle nan Eilean Siar.

The Council recognises that there are a number of services that could be delivered by external third sector or private organisations. The Council's Procurement Strategy makes provision for this and ensures that there is appropriate examination of cost, value, efficiency and effectiveness within the due diligence process where outsourcing is being considered. Any potential impact for workforce, including Transfer of Undertakings (Protection of Employment) Regulations, will be identified and considered fully at the outset of any change proposal.

There are no evidenced workforce benefits arising from the limited shared arrangements or commercialisation at the council. There is recognition that more can be done with third parties and the third sector which should release cash savings and workforce efficiencies. This will be a consideration as the key policies – workforce strategy, corporate plan and ICT strategy are aligned, updated and developed.

Joint workforce arrangements across services and partners - continued

The Council Corporate Management Team previously considered a report in September 2023 on the current status and future opportunities including the associated risks and potential barriers for additional shared services working. This work will be revised and progressed as an integral part of the Transformation Strategy that is currently being developed and scheduled for consideration by Council in August 2024.

The 2022/23 Workforce Planning Corporate Report notes the following staff breakdown:

Status	Headcount
Permanent Full Time	2,017
Permanent Part Time	2,066
Temporary Full Time	188
Temporary Part Time	531
Relief	414
TOTAL	5,306

The use of temporary workers and Relief workers (for interim, short-term absences) is monitored by services through the workforce dashboard and where trends are identified, acted upon. Costs of temporary workers have slightly increased year on year as shown below:

	2022/23	2023/24
Total employment costs	£131.934m	£141.231m
% of which relates to temporary workers	7.5%	8.0%

Measuring the impact of workforce planning

How effectively is the council measuring the impact of its workforce planning approach?

The council does not have defined metrics that would enable it to easily measure, record and report the impact of its workforce planning approach. Reporting of workforce planning achievements would benefit from the implementation of reporting metrics.

Councils should monitor the impact of their workforce planning and delivery approaches. This should include cost, service quality and productivity benefits as well as employee wellbeing. This in-turn should inform their workforce planning approach. Councils and their partners should also understand the wider impact of their employment practice on the local economy.

The Workforce and Organisational Development Strategy 2023-2026 (WODS) was approved by the Corporate Committee of Moray Council in April 2023. The strategy is supported by a workforce plan that sets out actions from the strategy with priority ratings. The Workforce strategy is intended to complement and support the Council's Corporate Plan and Transformation Programme. The council intended that the strategy would be reviewed on an annual basis and is due for update and refresh as part of the Corporate Committees August 2024 meeting.

The council monitors workforce planning through 6 monthly service reporting to committee and an annual review process that includes consultation with services and trade unions. Each annual plan is informed by the annual workforce report and conclusions from the work undertaken in the prior year. The Council has delayed the 2024 annual review to August to ensure that the updated workforce plan fully aligns with the Corporate Plan and Transformation strategies agreed in April 2024.

Other than the examples that have been picked out in the earlier responses, we are unable to gauge the overall impact of workforce planning council-wide. That is not to say that there have not been changes that have impacted productivity or produced cash savings, however, this has not been reported in such a way that it can be quantified and reported cross Council. Workforce implications on service planning are reviewed thoroughly with consultations undertaken as required. This will involve setting out the financial savings of the workforce changes identified as well as any anticipated workforce impact. This reporting is based in services and reported to a wider audience through the annual HR performance report, which is presented to the Corporate Committee. The staff survey contains a wide range of questions and measures to monitor effectiveness of the workforce, but there are no metrics or targets attached to allow for measurement of achievements in-year.

The council has some defined metrics in place that it analyses to assess performance against actions in the workforce plan and inform future actions. The Council used these to identify absence management as an area for improvement across the council and added an action to all service plans that were approved in May/June 2024. In order to track this and other workforce performance, the council should continue to improve its use of workforce metrics to inform and improve its workforce planning and effectively measure progress and impact. [See recommendation 4.](#)

Appendices

1. Improvement action plan

We have set out below, based on our audit work undertaken on the workforce innovation thematic, the key recommendations arising from our work:

Issue / risk	Recommendation	Agreed management response
<p>1 – Key policy interdependencies</p> <p>The Transformation Strategy, along with the Workforce and Organisational Development Strategy, the Council Plan and the Best Value action plan are key documents that will support Moray Council’s journey to efficiency, effectiveness and closing the savings gap identified in the MTFS. To do this, these documents should be formally linked and recognised as being interdependent. Failure to do this could lead to gaps arising in the forward planning of service delivery.</p>	<p>The council should formally link the expected outcomes of the three key policies that will influence workforce planning and innovation going forward. To reduce the risk of duplication of effort, this should be linked to the Best Value action plan as well.</p>	<p>Management response:</p> <p>The Council has linked its key corporate strategies within its corporate plan for many years. The 2024-29 plan has this explicitly stated in the Strategic Delivery Framework section.</p> <p>Corporate priorities are cascaded from the Corporate Plan into the strategic documents such as workforce strategy and plan and service plans. The updating of the WFS and Plan is part of routine business scheduled for August 2024 following approval of the Corporate plan in April.</p> <p>Action owner: TBC</p> <p>Timescale for implementation: 31 August 2024</p>

1. Improvement action plan

Issue / risk	Recommendation	Agreed management response
<p>2 – Workforce analysis reporting</p> <p>Workforce dashboard data is currently manually cleansed and uploaded to the dashboard on a quarterly basis, meaning that there is room for human error in cleansing and that data is potentially out of date on publication.</p> <p>The equality and diversity data included in current workforce reporting is very limited.</p> <p>Workforce data analysis reports are not shared with Member committees, who ultimately have to make decisions on the workforce plan, without understanding the workforce base.</p>	<p>The council should consider the cost and benefit of having real time workforce data in dashboards.</p> <p>An initiative to collect and collate diversity data across the council should be considered to ensure the council has the best and most appropriate data on the workforce.</p> <p>Consideration should be given as to whether workforce analysis reporting should be extended to Member committees.</p>	<p>Management response:</p> <p>Typically, workforce data is used to identify and review trends over time rather than in real time. However, consideration will be given to how this process can be made more efficient through automation. This will be considered following 12 months of experience of current system.</p> <p>Agree</p> <p>Agree – this data has been provided to the workforce working group and is scheduled to be reported along with the workforce strategy and plan to Corporate Committee in August 2024</p> <p>Action owner: Head of HR, ICT and OD</p> <p>Timescale for implementation: 31 July 2025</p>

1. Improvement action plan

Issue / risk	Recommendation	Agreed management response
<p>3 – Consistency of priority ratings</p> <p>The corporate workforce plan and service workforce plans use differing priority ratings, which limits read-through of documents and makes them less comparable.</p> <p>We further note that the priority ratings used in the service plans are not explained meaning they could be inappropriately applied.</p>	<p>The council should use consistent priority ratings across corporate and service workforce plans to allow for comparability. Consideration should be given to adding short explanations as to why a priority rating has been applied.</p>	<p>Management response:</p> <p>Narrative of definitions were omitted from the service workforce plan key and will be added. High/Low has also been added to the corporate workforce plan key for clarity</p> <p>Action owner: Head of HR, ICT and OD</p> <p>Timescale for implementation: 31 August 2024</p>

1. Improvement action plan

Issue / risk	Recommendation	Agreed management response
<p>4 – Council-wide reporting framework</p> <p>As the council embarks on measures to transform the way the council works and achieve a significant savings gap, it is imperative that progress is monitored regularly and rigorously at all levels to ensure objectives are met. Without regular and rigorous review of performance measures, the council runs the risk that the desired objectives are not achieved. Identifying and setting objective metric measures will assist in this.</p>	<p>The council should develop a suite of performance measures, council-wide and service specific, that should be reported on regularly with rigorous follow up where objectives are not met.</p>	<p>Management response:</p> <p>The Council plans to improve performance reporting and has committed to this as part of its best value improvements. Consideration will be given to improving the use of performance data for workforce management and addressing this more robustly in routine performance reporting to support the effective management of the council workforce.</p> <p>Action owner: Corporate Management Team</p> <p>Timescale for implementation: 31 August 2025</p>

1. Improvement action plan

Issue / risk	Recommendation	Agreed management response
<p>5 – Estates Plan</p> <p>Hybrid and remote working is now fully embedded at the council. As a result, there is a decrease in the level of office space required which could be put to other uses that would increase savings and/or generate additional revenue or capital income for the council. Progress in this area has been slow, with limited savings and benefits being recognised to date and projected for the future.</p>	<p>The council should advance at pace with an estates plan as part of the Transformation Strategy to ensure that savings and benefits from surplus office space is realised.</p>	<p>Management response:</p> <p>The Council does not prepare an Estates Plan – the Asset Management Plans prepared by the Council follow the guidance given by CIPFA and so follows the function of the various parts of the Council’s property portfolio: Learning Estate, Leisure and Libraries, corporate offices etc. Within the Council’s Transformation Strategy there are projects seeking to rationalise the council property holdings: Learning Estate review, Leisure and Libraries Review, Smarter Working, Depot and Stores Review, Industrial Estate review</p> <p>Action owner: Corporate Management Team</p> <p>Timescale for implementation: Per individual projects</p>

1. Improvement action plan

Issue / risk	Recommendation	Agreed management response
<p>6 – Staff survey</p> <p>The council undertook a staff survey in 2023. Previously the last survey was undertaken in 2019. Best practice indicates that surveys should be done annually.</p> <p>Both 2019 and 2023 surveys had low response rates and the council should take steps to ensure that a greater response rate and therefore a more accurate representation of the workforce is achieved.</p> <p>Questions included in the survey did not appear to vary significantly, with no questions being asked about workforce strategy, digital technology or the result of hybrid working.</p>	<p>The council should look to undertake a staff survey on an annual basis and significantly increase employee participation to allow management to have an accurate representation of the workforce feeling.</p> <p>The council should seek to review the questions included in the survey, keeping some static so progress can be measured year on year, but varying the questions so the opinions on current issues can be measured.</p>	<p>Management response:</p> <p>Surveys were kept consistent to enable progress tracking of issues over time and 2 years was used for efficiency and to enable impact to be achieved and measured</p> <p>Specific smaller surveys have been used for specific topics e.g. mental health and wellbeing.</p> <p>Consideration will be given to options for more current w/f information, including frequency of all w/f survey and targeted pulse surveys – more frequent</p> <p>The next survey will be brought forward to reduce the gap from 2 years to 18months with potential to move to annual thereafter.</p> <p>Action owner: Head of HR, ICT and OD</p> <p>Timescale for implementation: 31 August 2025</p>

